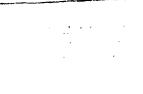
NITHHELD +







OFFICE OF THE ATTORNEY GENERAL

STATE OF ILLINOIS

Jim Ryan

May 5, 1998

CONFIDENTIAL

VITORNEY GENERAL

Re:

Dear Chris:

For the purpose of settlement only

Christine Zeman, Esq. Hodge & Dwyer 808 South Second Street Springfield, Illinois 62704

People v. T.L. Diamond, 96-MR-70

LA#1358070001 HILLSBORD/EAGLE ZINC COMPLIANCE ALE

In our recent conversations, you have indicated that your client would like to discuss the possibility of settlement. Since the technical consultants have had the opportunity to meet, I presume that your client has a better idea of how to address the State's pollution concerns at the facility.

As you are probably aware, in order to settle an enforcement action, the Attorney General and the Illinois EPA seek two things from your client. First, your client must agree to implement a technical remedy to address the violations alleged in the Complaint. Your client should develop a management plan that provides for the identification of the contents of the various piles at the site and the proper disposition of the piles, either on-site or off-site pursuant to the requirements of 35 III. Adm. Code 815. In the plan, your client should also address the stormwater/runoff problems at the site and the remediation of any contamination in excess of the applicable standards. Please include a timetable for the performance and completion of these measures in the plan.

I believe you touched on these remediation issues when you deposed Dave Jansen in canuary. Of course, any technical remedy will have to be reviewed and approved by the Ilinois EPA. If your client's technical consultants have any questions, I have no objection to their contacting Dave Jansen, John Wells or Rich Johnson.

Secondly, your client will have to pay a civil penalty to the Environmental Protection Trust Fund. In light of the nature of the violations and the time period during which they occurred, the State's penalty demand is set at \$82,500.00.

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With trial approaching, your client's mariagement plan would need to be submitted in the next few weeks so that Illinois EPA has adequate time to review it. Please discuss this with your client and advise your client's position regarding the initial terms of settlement. If you have any questions, please do not hesitate to call. I can be reached at 217/782-9031. I look forward to your response.

Sincerely,

Assistant Attorney General

Environmental Bureau/Springfield

Greg Richardson, DLC CC:

Chuck Gunnarson, DLC

√Rich Johnson, FOS/BOL John Wells, FOS/BOW